Draft

Headquarters U.S. Air Force

Integrity - Service - Excellence

FY06-11 POM Build
AFMS Council Brief

U.S. AIR FORCE

26 Feb 04

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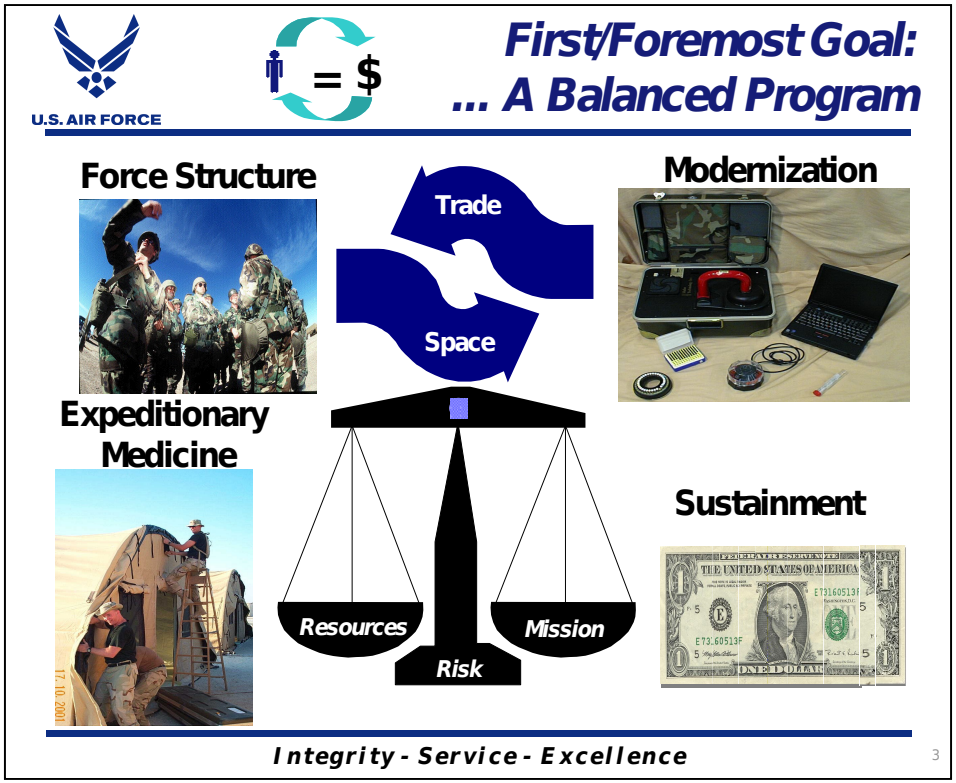
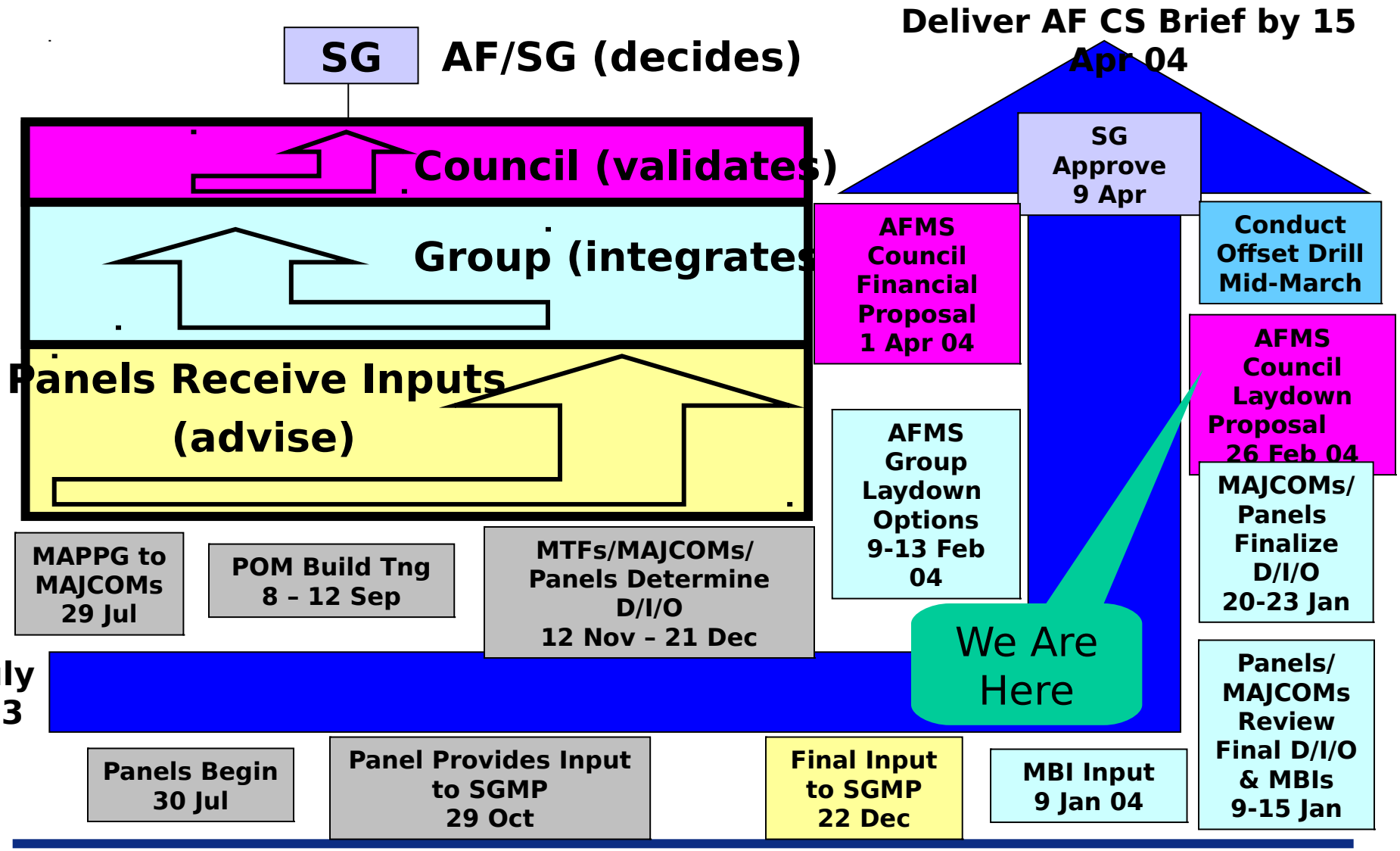
Purpose

- **Purpose:**
  - **(Info) Present overview of Financial and Environmental Issues**
  - **(Decision) Gain AFMS Council Recommendation to AF/SG on MTF Laydown Option Components**
  - **Way ahead**
- **Length of Briefing: 2 hours**



AFMS 06-11 POM Build: Timeline


SG
AF/SG (decides)
Deliver AF CS Brief by 15 Apr 04
Council (validates)
Group (integrates)
Panels Receive Inputs (advise)
SG Approve 9 Apr
AFMS Council Financial Proposal 1 Apr 04
Conduct Offset Drill Mid-March
AFMS Council Laydown Proposal 26 Feb 04
AFMS Group Laydown Options 9-13 Feb 04
MAJCOMs/ Panels Finalize D/I/O 20-23 Jan
MAPPG to MAJCOMs 29 Jul
POM Build Tng 8 – 12 Sep
MTFs/MAJCOMs/ Panels Determine D/I/O 12 Nov – 21 Dec
We Are Here
July 03
Panels/ MAJCOMs Review Final D/I/O & MBIs 9-15 Jan
Panels Begin 30 Jul
Panel Provides Input to SGMP 29 Oct
Final Input to SGMP 22 Dec
MBI Input 9 Jan 04

Major Issues to be Addressed

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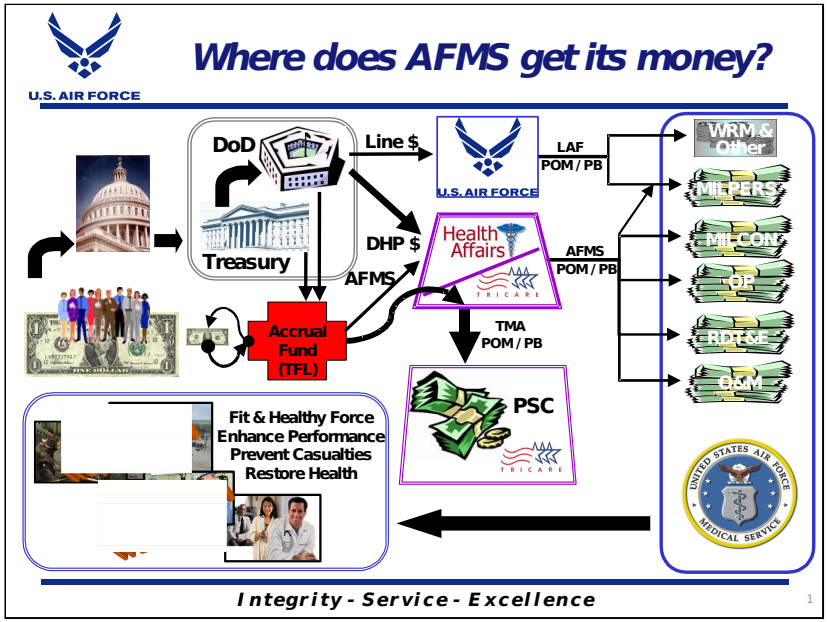
- External Financial Issues (Not final till late Spring 04)
  - Financial relationships with our partners
    - PBD 041; Intra-Theater AE; Rx Recapture Repayment
  - Impacts on AFMS MILPERS baseline
    - EPP; MHS Transformation; Leveraging MILPERS
- Internal Financial Issues – AFMS Council Brief (1 Apr 04)
  - Bills voted “Yes” by AFMS Group
  - Establishing a viable Modernization portfolio
- MTF lay down proposals
  - Medical Operations Panel issues
  - Aeromedical Operations Panel issues
  - Dental Operations Panel issues
  - Medical Support Panel issues
  - Force Development Panel issues

External Financial Issues (Not Final until late Spring 04)

Information Only

Financial Relationships with Our Partners

- **PBD 041**
  - **MTF Efficiencies reduction**
  - **Book against revised financing**
- **Intra-Theater AE**
  - **Loss of C9 drives bill**
- **Rx Recapture**
  - **Buckley pharmacy recapturing workload and reducing PSC bill**



(Figures are in $000's)

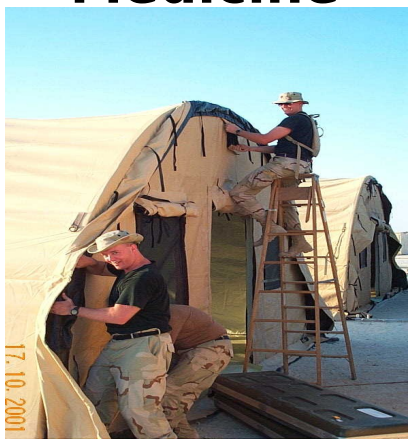
Issue	FY06	FY07	FY08	FY09	FY10	FY11
C-9 Divestiture	22,280	23,171	24,098	25,062	26,064	27,107
Utilization Management	18,959	20,021	21,142	22,326	23,576	24,896
Appointing	12,800	13,312	13,844	14,398	14,974	15,573
Buckley Pharmacy	6,200	6,448	6,706	6,974	7,253	7,543
DODMERB	2,200	2,288	2,380	2,475	2,574	2,677
Total	**62,439**	**65,240**	**68,170**	**71,235**	**74,441**	**77,796**

Impacts on AFMS MILPERS Baseline

Review	Risk
Enhanced Planning Process (EPP)	Conversion of MILPERs to GS civilian or contract – not $ for $
MHS Transformation Study	Push jointness – reduce overall MHS requirements Reduction/conversion of MILPERs to GS civilian or contract – not $ for $
BRAC	No certainty on retention of MILPERs from

Force Structure

Expeditionary Medicine



Multiple external factors may impact future of AFMS

Other POM Unknowns/TBD/TBW

- Unknown impact of Environmental Factors
  - BRAC, EPP, MHS Transformation, etc…
- Details of prospective payment system
- T-Nex Implementation and Changes in Year of Execution
- Potential changes in National Defense Strategy
  - Impact of 1-4-2-1 vice 2 MTWs

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"1-4-2-1" Force Sizing Construct

- "1-4-2-1" Force Sizing Construct
- (1) Defend the United States
- (4) Deter aggression in four geographic regions
- (2) Swiftly defeat aggression in overlapping major conflicts while…
- (1) Preserving for the President the option to call for a decisive victory in one of those conflicts - including the possibility of regime change or occupation
- Force must also be sized to conduct limited number of small-scale contingencies
- Concurrently, the DoD will maintain sufficient force generation capability and a strategic reserve to mitigate risks.

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Bills voted "Yes" by AFMS Group (External Driven)

(Figures are in $000's)

Issue	FY06	FY07	FY08	FY09	FY10	FY11
C-9 Divestiture	22,280	23,171	24,098	25,062	26,064	27,107
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Total	**62,439**	**65,240**	**68,170**	**71,235**	**74,441**	**77,796**

Work in Progress

- Listed in largest to smallest order only: no prioritization yet

Issues must be validated, vetted, and stratified

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Internal Financial Issues (AFMS Council Brief 1 Apr 04)

Information Only

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Bills voted "Yes" by AFMS Group (Internal Driven)

(Figures are in $000's)

Issue	FY06	FY07	FY08	FY09	FY10	FY11
Modernization delta	42,400	44,096	45,860	47,694	49,602	51,586
OB Contract Bill	16,300	16,952	17,630	18,335	19,069	19,831
HPLRP	12,435	19,010	23,890	25,619	23,121	16,656
HPSP (includes dental option)	11,246	15,731	20,044	24,751	30,989	37,866
Patient Movement Items	8,500	8,840	9,194	9,561	9,944	10,342
Dental Central Contract	6,000	6,240	6,490	6,749	7,019	7,300
HAWC Contractors	5,400	6,800	7,700	8,008	8,328	8,661
Referral Mgmt Centers	4,520	4,701	4,889	5,084	5,288	5,499
Digital Dental Radiology Init	2,800	2,912	3,028	3,150	3,276	3,407
MMSO	2,000	2,080	2,163	2,250	2,340	2,433
CDA - Scheduler	355	369	384	399	415	432
Total	**111,956**	**127,731**	**141,272**	**151,601**	**159,390**	**164,014**

Work in Progress

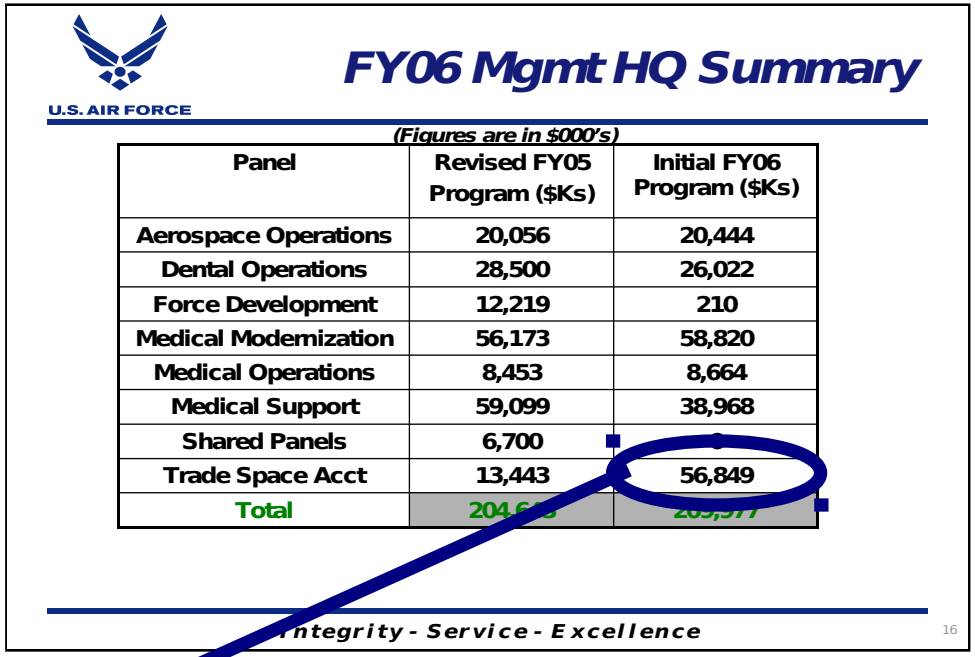
- Listed in largest to smallest order only: no prioritization yet

Issues must be validated, vetted, and stratified

Financial Tradespace as of 26 Feb 2004

- **Initial AF/SG tradespace briefed 19 Dec 03**

- **Will need offset drill to identify more tradespace to pay Most Dear Bills**



(Figures are in $000's)

Tradespace (O&M)	FY06	FY07	FY08	FY09	FY10	FY11
Balance a/o 19 Dec 2003	56,849	58,980	61,188	63,479		
Undistributed Funds	31,146	35,715	26,951	20,148		
Panel / MAJ COM Corrections	(4,759)	(5,079)	(5,423)	(5,793)		
PBD Impacts	(49,509)	(51,420)	(50,457)	(52,435)		
Balance a/o 26 Feb 04	33,727	38,196	32,260	25,399		

Establishing a Viable Modernization Portfolio

- **AFMS Group confirmed current Modernization TOA to be $77.6M (Includes $9M operating budget of SGR)**
- **Options (Prepared by 1 Apr 04)**
- **Will be examined and prioritized with bills**
  - **Need at least one successful program into J-Books**
- **Recommendation at next AFMS Council on approach to this issue - 19 March 04**

(Figures are in $000's)

	FY06	FY07	FY08	FY09	FY10	FY11
Mod TOA a/o 26 Feb	77,600	80,782	84,094	87,541	91,131	94,867
Mod delta	42,400	39,218	35,906	32,459	28,869	25,133
Total Goal	120,000	120,000	120,000	120,000	120,000	120,000

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MTF Laydown Proposals

Decision Brief

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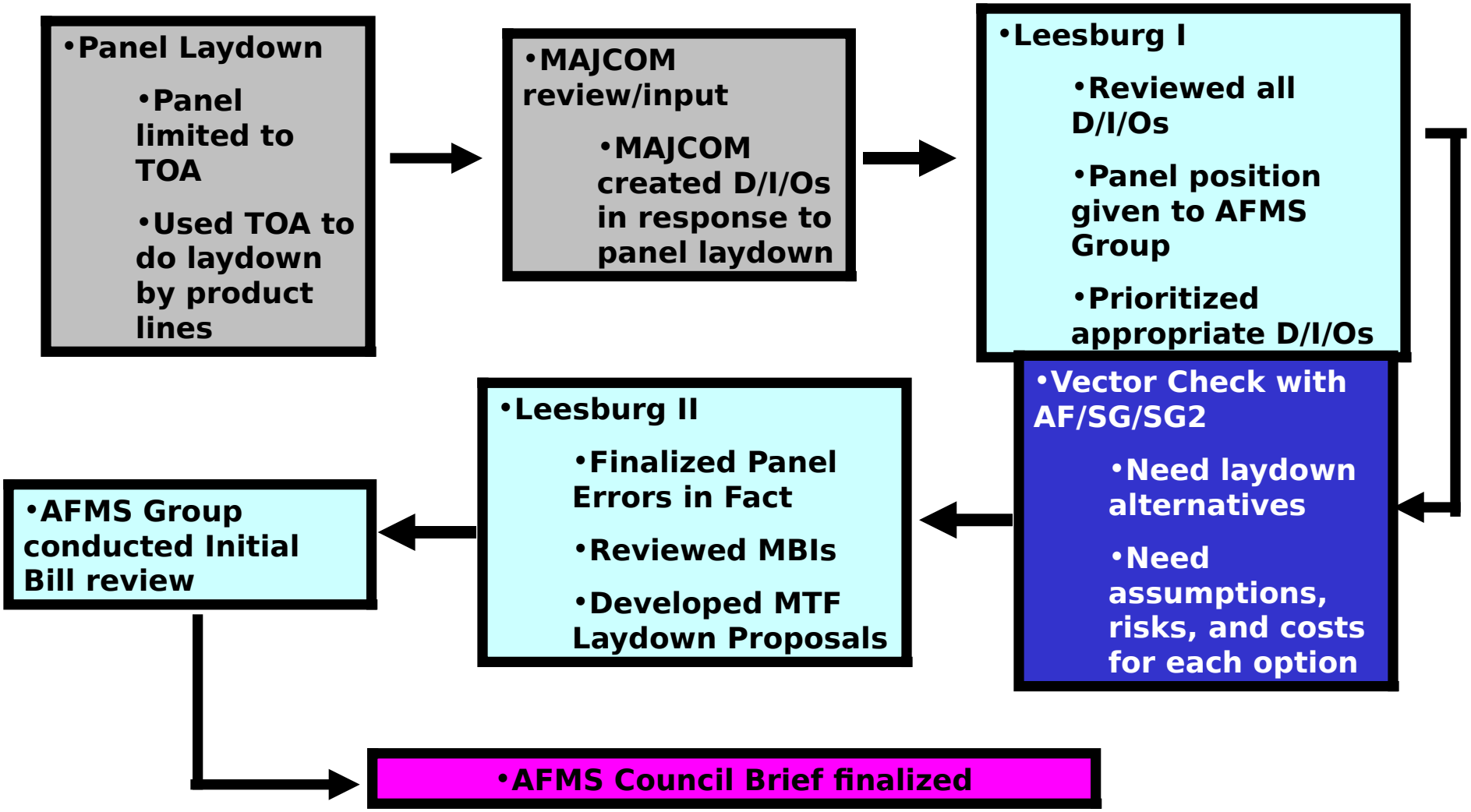
MTF Laydown Proposal Development Process


•Panel Laydown
•Panel limited to TOA
•Used TOA to do laydown by product lines
•MAJCOM review/input
•MAJCOM created D/I/Os in response to panel laydown
•Leesburg I
•Reviewed all D/I/Os
•Panel position given to AFMS Group
•Prioritized appropriate D/I/Os
•Vector Check with AF/SG/SG2
•Need laydown alternatives
•Need assumptions, risks, and costs for each option
•Leesburg II
•Finalized Panel Errors in Fact
•Reviewed MBIs
•Developed MTF Laydown Proposals
•AFMS Group conducted Initial Bill review
•AFMS Council Brief finalized

Recap of MTF Laydown Developing Proposals

Service	Leesburg I	Leesburg II B	Leesburg II C
PCO	- PCE enhanced at locations to match enrollment growth	- Increase Staff at 11 MTFs	-Stays at APOM Level
SCO	- SCO improved by focusing on perioperative and inpatient staffing	- Completes Block 2 of SCO at only 6 MTFs - Partially optimizes ECA, CCA, BCA – 104 out of 260 surgeons optimized	-Stays at APOM level
OB	-Sustain OB closer to today's laydown -FYDP continues to go empty while paying	- Close OB at 7 MTFs - Assign 55 Faces to OB/GME, OCONUS, FP GME, CONUS	-Stays at APOM Level (105) -45 FYDP positions not filled

MTF Laydown Option A Selections

Recap of MTF Laydown Proposal

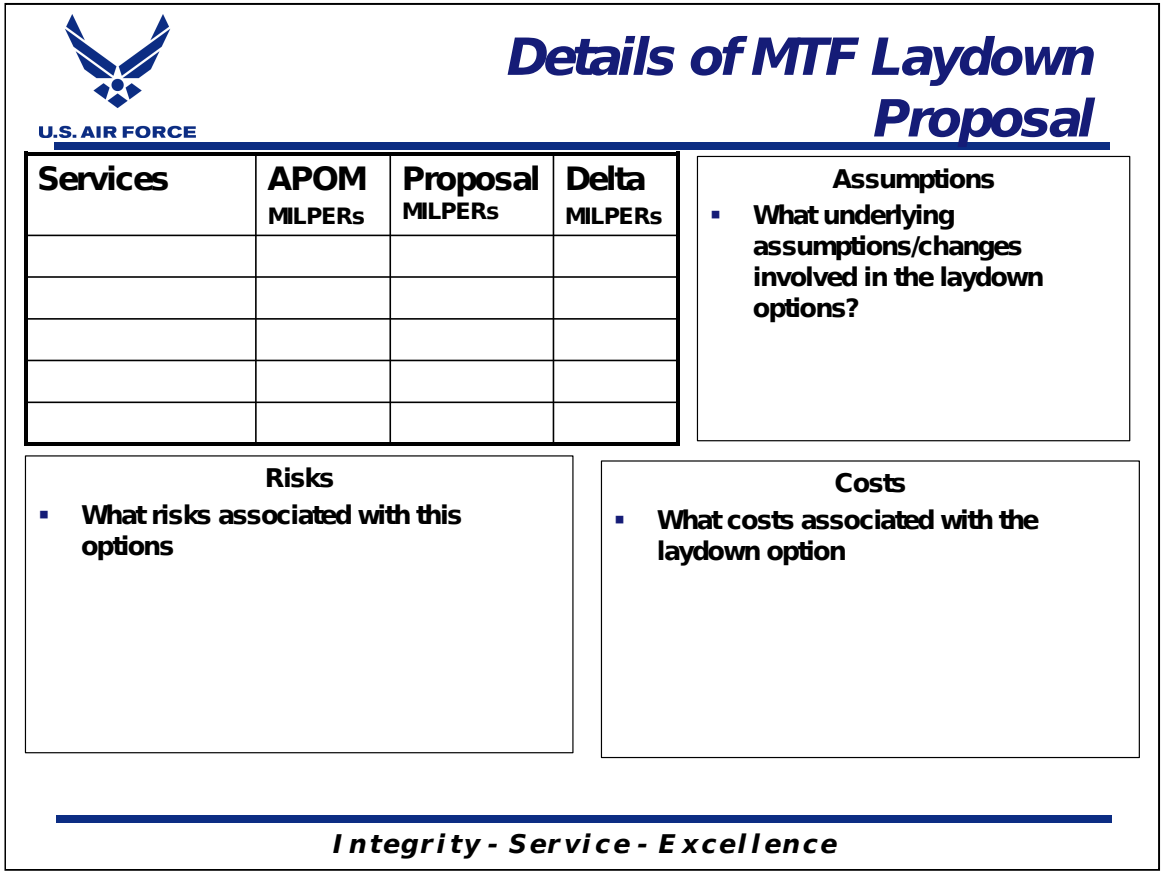
Major Variations

Service	Leesburg I	Leesburg II B	Leesburg II C
SGP	-Stand alone SGP for every site and increase support staff to increase enrollment	- SGP at 17 sites and increase support staff to increase enrollment	-APOM Level
PHO	-Increase for mission needs	FY06 total provides minimum staffing for essential deployment health/installation missions; audiometry support at ALC bases	- APOM Level
	needs		- APOM Level

MTF Laydown Option A Selections

MTF Laydown Review

- Laydown A
  - Option A-1
  - Option A-2
- Laydown B
  - Option B-1
  - Option B-2
- Laydown C



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Details of MTF Laydown Proposal

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs

Assumptions

- What underlying assumptions/changes involved in the laydown options?

Risks

- What risks associated with this options

Costs

- What costs associated with the laydown option

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Laydown Option Score Card

	Group Rec Option A1	Laydown Option A1	Laydown Option A2	Laydown Option B1	Laydown Option B2	Laydown Option C
PCO						
Family Practice	G					
Internal Med	G					
Pediatrics	G					
ER/UCC	G					
SCO						
Gen Surgery	G					
Ortho/Pod	G					
Ob/Gyn	G					
Inpt Nursing	G					
Anesthesia	G					
SGP	G					
PHO	G					
BEE	G					
HAWCs	G					

MTF Laydown Option A-1

AFMS Group Recommended Option

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Details of MTF Laydown Option A-1

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs (MTFs)
PCO			
Family Practice	3,160	3,297	137 (0)
Internal Medicine	392	357	-35 (+4)
Pediatrics	903	882	-21 (+1)
ER	828	636	-192 (-6)

Assumptions

- Increased enrollment of 3% generates increased requirements
- Enhanced ECA/CCA/BCA at 21 MTFs
  - Laydown will contribute MTF efficiencies (PBD 041)
- PCO critical component of SCO success
- ER to UCC change driven by currency case

Risks

- MTFs commanders must understand/communicate the LV strategy
  - Linkage between PCO and SCO
- Availability of contractors or contract services
- Ability to leverage enrollee PSC dollars

Costs

- Contracts
  - Resource Sharing & Contractor Support Services
- PSC

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Details of MTF Laydown Option A-1 Continued

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs (MTFs)
SCO			
General Surgery	318	324	6 (-3)
Orthopedics/Podiatry	310	372	62 (-2)
Obstetrics	620	505	-115 (-6)
Inpatient Nursing	2,497	2,208	-289 (-4)
Anesthesia	311	200	-111 (-2)

Assumptions

- SCO - Funds clinics, perioperative support, and wards at 21 MTFs
- Ob/Gyn – Provides services at 18 MTFs using 55 AD Ob/Gyn Faces
  - Transitions OB to PSC at Altus, Dover, Luke, Sheppard, Spangdahlem, USAFA
- Inpatient - Reduces four inpatient facilities to outpatient facilities
  - Luke (Virtual OR), Offutt (ASU), Sheppard (ASU) & Spangdahlem (clinic)

Risks

- Political fallout over reduction of inpatient facilities and OB Services
  - Inpatient: Luke, Offutt, Sheppard, Spangdahlem
  - OB: Altus, Dover, Luke, Sheppard, Spangdahlem, USAFA
- Net PSC savings not realized/pocketed

Costs

- Contracts
- Resource Sharing & Contractor Support Services
- PSC

Details of MTF Laydown Option A-1 Continued

Services	APOM MILPERs	POM A MILPERs	Delta MILPERs
SGP	900	1,017	117
PHO	1,250	1,316	66
BEE	1,190	1,234	44
Health Promotions / HAWC	261	95	-166
Dental	3,269	3,290	21

Assumptions

- SGPs – Provides stand-alone SGP where AMDS/CC is dual-hatted
- PH - Mission based requirements currently unmet
- Physiology – HPTT deployment to all but AMC, LRAFB to caretaker
- BEE - Mission based requirements currently unmet
- HAWCs – Reduces footprint; uses contractors in CONUS & AD in OCONUS

Risks

- Line does not accept contracting HAWCs at reduced manpower level
- Line does not support change in HAWC capability

Costs

- HAWCs – $5.4M (FY06), $6.8M (FY07) $7.7M (FY08-11) Wedge with BEEs
- DCO – contract dollars to support hiring support staff

MTF Laydown Option A-1 MILPERs Tradespace

- 24 Officers and 111 Enlisted
  - Reverse class 5 offsets (1 Off, 15 Enl)
  - Substitute Officer and Enlisted FYDP for contract positions
  - Hold available FYDP for EPP (e.g. for restoring HAWCs to original)
  - Further reduce Most Dear Offsets

	Option A-1	Option A-2	Option B-1	Option B-2	Option C
Officer	24	-15	122	83	83
Enlisted	111	80	299	268	27
MILPERs	$9,371,700	$2,911,000	$32,069,300	$25,608,600	$11,461,900

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MTF Laydown Option A-2

A1 with exception of restoring Spangdahlem to bedded MTF

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Details of MTF Laydown Option A-2

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs (MTFs)
PCO			
Family Practice	3,160	3,297	137 (0)
Internal Medicine	392	357	-35 (+4)
Pediatrics	903	882	-21 (+1)
ER	828	653	-175 (-5)

Assumptions

- Increased enrollment of 3% generates increased requirements
- Enhanced ECA/CCA/BCA at 21 MTFs
  - Laydown will contribute MTF efficiencies (PBD 041)
- PCO critical component of SCO success
- ER to UCC change driven by currency case

Risks

- MTFs commanders understand/communicate the LV strategy
  - Linkage between PCO and SCO not understood
- Availability of contractors or contract services
- Ability to leverage enrollee PSC dollars
- **Not supported by ECA/CCA/BCA**

Costs

- Contracts
  - Resource Sharing & Contractor Support Services
- PSC

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Details of MTF Laydown Option A-2 Continued

Services	APOM MILPERs Total	Proposal MILPERs Total	Delta MILPERs Total
SCO			
General Surgery	318	332	14 (-2)
Orthopedics/Podiatry	310	376	66 (-1)
Obstetrics	620	510	-110 (-5)
Inpatient Nursing	2,497	2,232	-265 (-3)
Anesthesia	311	203	-108 (-1)

Assumptions

- SCO - Funds clinics, perioperative and wards at 21 MTFs includes
- Ob/Gyn – Provides services at 18 MTFs using 55 AD Ob/Gyn Faces
  - Transitions OB to PSC at Altus, Dover, Luke, Sheppard, USAFA
- Inpatient - Reduces three inpatient facilities to outpatient facilities
  - Luke (Virtual OR), Offutt (ASU), Sheppard (ASU) &

Risks

- Political fallout over reduction of inpatient facilities and OB Services
  - Inpatient: Luke, Offutt, Sheppard,
  - OB: Altus, Dover, Luke, Sheppard, USAFA
- Net PSC savings not realized
- Not supported by ECA, JCA, BCA

Costs

- Project (SRM) = $14M
- Contracts
  - Resource Sharing & Contractor Support Services
- PSC

Details of MTF Laydown Proposal A-2 Continued

Services	APOM MILPERs	POM A MILPERs	Delta MILPERs
SGP	900	1,017	117
PHO	1,250	1,316	66
BEE	1,190	1,234	44
Health Promotions / HAWC	261	95	-166
Dental	3,269	3,290	21

Assumptions

- SGPs – adds an officer billet where there is a dual hat SGP AMDS/CC
- PH - Mission based requirements currently unmet
- Physiology – HPTT deployment to all but AMC, LRAFB to caretaker
- BEE - Mission based requirements currently unmet
- HAWCs – Reduces footprint; uses contractors in CONUS & AD in OCONUS

Risks

- Line does not accept contracting HAWCs at reduced manpower level
- Line does not support change in HAWC capability

Costs

- HAWCs – $5.4M
- DCO – contract dollars to support hiring support staff

MTF Laydown Proposal A-2 MILPERs Tradespace

- **-15 Officers and 80 Enlisted**
  - **Evaluate class 4 and 5 D's/I's for officers**
  - **Reverse class 5 enlisted offsets**
  - **Evaluate class 4 offsets for potential enlisted payment**
  - **Substitute Enlisted FYDP for contract positions**
  - **Hold available FYDP for EPP (e.g. for restoring HAWCs to original)**
  - **Further reduce Most Dear Offsets**

	Option A-1	Option A-2	Option B-1	Option B-2	Option C
Officer	24	**-15**	122	83	83
Enlisted	111	**80**	299	268	27
MILPERs	$9,371,700	**$2,911,000**	$32,069,300	$25,608,600	$11,461,900

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MTF Laydown Option B-1

Reduces PCO/SCO Change

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Details of MTF Laydown Proposal B-1

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs
PCO			
Family Practice	3,160	3,197	37
Internal Medicine	392	318	-74 (-4)
Pediatrics	903	887	-16 (0)
ER	828	636	-192 (-6)

Assumptions

- PCO – Targets enrollment growth at 11 MTFs
- Enhances ECA/CCA/BCA at 11 MTFs
  - Laydown will contribute MTF efficiencies (PBD 041)
- PCO critical component of SCO success
- ER to UCC change driven by currency case

Risks

- MTFs commanders understand/communicate the LV strategy
  - Linkage between PCO and SCO not understood
- Contractors/contract services availability
- PSC recapture reduced due to SCO, PCO changes

Costs

- Contracts
  - Resource Sharing & Contractor Support Services
- PSC care bill increases

Details of MTF Laydown Proposal B-1 Continued

Services	APOM MILPERs Total	Proposal MILPERs Total	Delta MILPERs Total
SCO			
General Surgery	318	246	-72 (-11)
Orthopedics/Podiatry	310	299	-11 (-9)
Obstetrics	620	505	-115 (-6)
Inpatient Nursing	2,497	2,208	-289 (–4)
Anesthesia	311	200	-111 (-2)

Assumptions

- **SCO - Funds (Phase II) at 6 MTFs includes clinics, perioperative and wards**
- **Ob/Gyn – Provides services at 18 MTFs using 55 AD Ob/Gyn Faces**
  - **Transitions OB at PSC at Altus, Dover, Luke, Sheppard, Spangdahlem, USAFA**
- **Inpatient - Reduces four inpatient facilities to outpatient facilities**
  - **Luke (Virtual OR), Offutt (ASU), Sheppard (ASU) & Spangdahlem**

Risks

- **Political fallout over reduction of inpatient facilities and OB Services**
  - **Inpatient: Luke, Offutt, Sheppard, & Spangdahlem**
  - **OB: Altus, Dover, Luke, Sheppard, Spangdahlem, USAFA**
- **PSC recapture reduced due to SCO changes**

Costs

- **Contracts**
  - **Resource Sharing & Contractor Support Services**
- **PSC care bill increases**

Details of MTF Laydown Proposal B-1 Continued

Services	APOM MILPERs	POM A MILPERs	Delta MILPERs
SGP	900	1,017	117
PHO	1,250	1,316	66
BEE	1,190	1,234	44
Health Promotions / HAWC	261	95	-166
Dental	3,269	3,290	21

Assumptions

- SGPs – adds an officer billet at selected sites where there is a dual hat SGP AMDS/CC
- PH - Mission based requirements currently unmet
- Physiology – HPTT deployment to all but AMC, LRAFB to caretaker
- BEE - Mission based requirements currently unmet
- HAWCs – Reduces footprint; uses contractors in CONUS & AD in OCONUS

Risks

- Line does not accept contracting HAWCs at reduced manpower level
- Line does not support change in HAWC capability

Costs

- HAWCs – $5.4M
- DCO – contract dollars to support hiring support staff

MTF Laydown Proposal B-1 MILPERs Tradespace

- **122 Officers, 299 Enlisted (Considerable amount of coordination will be required with MAJCOMs to effectively execute option B)**
  - **Reverse class 5 offsets**
  - **Reduce additional offsets**
  - **Substitute FYDP for contract positions**
  - **Hold available FYDP for EPP (e.g. for restoring HAWCs to original)**

	Option A-1	Option A-2	Option B-1	Option B-2	Option C
Officer	24	-15	**122**	83	83
Enlisted	111	80	**299**	268	27
MILPERs	$9,371,700	$2,911,000	**$32,069,300**	$25,608,600	$11,461,900

MTF Laydown Option B-2

B-1 with exception of restoring Spangdahlem to bedded MTF

Details of MTF Laydown Proposal B-2

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs
PCO			
Family Practice	3,160	3,197	37
Internal Medicine	392	318	-74 (-4)
Pediatrics	903	887	-16 (0)
ER	828	653	-175 (-5)

Assumptions

- PCO – Targets enrollment growth at 11 MTFs
- Enhances ECA/CCA/BCA at 11 MTFs
  - Laydown will contribute MTF efficiencies (PBD 041)
- PCO critical component of SCO success
- ER to UCC change driven by currency case

Risks

- MTFs commanders understand/communicate the LV strategy
  - Linkage between PCO and SCO not understood
- Contractors/contract services availability
- PSC recapture reduced due to SCO, PCO changes

Costs

- Contracts
  - Resource Sharing & Contractor Support Services
- PSC

Details of MTF Laydown Proposal B-2 Continued

Services	APOM MILPERs Total	Proposal MILPERs Total	Delta MILPERs Total
SCO			
General Surgery	318	251	-67 (-10)
Orthopedics/Podiatry	310	304	-6 (-8)
Obstetrics	620	510	-110 (-5)
Inpatient Nursing	2,497	2,234	-263 (-3)
Anesthesia	311	203	-108 (-1)

Assumptions

- SCO - Funds (Phase II) at 6 MTFs includes clinics, perioperative and wards
- Ob/Gyn – Provides services at 18 MTFs using 55 AD Ob/Gyn Faces
  - Transitions OB at PSC at Altus, Dover, Luke, Sheppard, USAFA
- Inpatient - Reduces three inpatient facilities to outpatient facilities
  - Luke (Virtual OR), Offutt (ASU), Sheppard (ASU)

Risks

- Political fallout over reduction of inpatient facilities and OB Services
  - Inpatient: Luke, Offutt, Sheppard
  - OB: Altus, Dover, Luke, Sheppard, USAFA
- PSC recapture reduced due to SCO changes
- Not supported by ECA, CCA, BCA

Costs

- Project/SRM = $14M
- Contracts
  - Resource Sharing & Contractor Support Services
- PSC

Details of MTF Laydown Proposal B-2 Continued

Services	APOM MILPERs	POM A MILPERs	Delta MILPERs
SGP	900	1,017	117
PHO	1,250	1,316	66
BEE	1,190	1,234	44
Health Promotions / HAWC	261	95	-166
Dental	3,269	3,290	21

Assumptions

- SGPs – adds an officer billet at selected sites where there is a dual hat SGP AMDS/CC
- PH - Mission based requirements currently unmet
- Physiology – HPTT deployment to all but AMC, LRAFB to caretaker
- BEE - Mission based requirements currently unmet
- HAWCs – Reduces footprint; uses contractors in CONUS & AD in OCONUS

Risks

- Line does not accept contracting HAWCs at reduced manpower level
- Line does not support change in HAWC capability

Costs

- HAWCs – $5.4M
- DCO – contract dollars to support hiring support staff

MTF Laydown Proposal B-2 MILPERs Tradespace

- **83 Officers, 268 Enlisted (Considerable amount of coordination will be required with MAJCOMs to effectively execute option B)**
  - Reverse class 5 offsets
  - Reduce additional offsets
  - Substitute FYDP for contract positions
  - Hold available FYDP for EPP (e.g. for restoring HAWCs to original)

	Option A-1	Option A-2	Option B-1	**Option B-2**	Option C
Officer	24	-15	122	**83**	83
Enlisted	111	80	299	**268**	27
MILPERs	$9,371,700	$2,911,000	$32,069,300	**$25,608,600**	$11,461,900

MTF Laydown Option C

Retains FY05 APOM levels with a few exceptions

Details of MTF Laydown Proposal C

Services	APOM MILPERs	Proposal MILPERs	Delta MILPERs
PCO			
Family Practice	3,160	3,160	0
Internal Medicine	392	392	0
Pediatrics	903	903	0
ER	828	828	0

Assumptions

- Maintains APOM levels for most functions
- Med Ops PCO/SCO limits Long View implementation
  - Must cap enrollment at current capacity
  - Potential failure to support SCO with referrals

Risks

- Longview not implemented
  - PCO not realized and referral workload not generated to support current or future SCO needs
- PSC recapture reduced due to PCO changes and reduced SCO referrals

Costs

- Contracts
  - Resource Sharing & Contractor Support Services
- PSC care bill increases

Details of MTF Laydown Proposal C Continued

Services	APOM MILPERs Total	Proposal MILPERs Total	Delta MILPERs Total
SCO			
General Surgery	318	318	0
Orthopedics/Podiatry	310	310	0
Obstetrics	620	510	-110 (-6)
Inpatient Nursing	2,497	2497	0
Anesthesia	311	311	0

Assumptions

- Maintains APOM levels for most functions
- Decreased ECA, CCA and BCA
- Minimizes perioperative support required to support SCO implementation
- Would still need to implement MAJCOM ZBT bookkeeping changes
- Will create MBI's for MAJCOMs

Risks

- SCO not realized and retention further endangered due to reduced currency case
- Workload lost to private sector hard to bring back into Direct Care system
- ECA not met because of reduced surgical retention
- OB FYDP goes vacant while contract/PSC costs absorb workload

Costs

- PSC bill increases due to loss of Surgical ECA/CCA

Details of MTF Laydown Proposal C Continued

Services	APOM MILPERs	POM A MILPERs	Delta MILPERs
SGP	900	900	0
PHO	1,250	1,250	0
BEE	1,190	1,190	0
Health Promotions / HAWC	261	261	0
Dental	3,269	3,269	0

Assumptions

- Maintains APOM levels
  - No manpower allowed for SGP; no allowance for operational mission support
  - No additional Public Health manpower to support any aspect of product line
  - No BEE optimization at any installation
  - Maintain HAWC at current program MILPERS

Risks

- Lack of SGP will prevent recapture of workload
- Lack of PHO results in high ops tempo without foreseeable solution
- Lack of BEE additions leaves mission requirements unmet
- No HAWC changes ties up blue suits in non-UTC positions

Costs

- DCO – contract dollars to support hiring support staff

MTF Laydown Proposal C MILPERs Tradespace

- **83 Officer and 27 Enlisted**
  - **Substitute FYDP for contract positions**
  - **Hold available FYDP for EPP**

	Option A-1	Option A-2	Option B-1	Option B-2	Option C
Officer	24	-15	122	83	**83**
Enlisted	111	80	299	268	**27**
MILPERs	$9,371,700	$2,911,000	$32,069,300	$25,608,600	**$11,461,900**

Recommendation

- **AFMS Council recommend approval of MTF Laydown Option A-1 to AF/SG**
  - **Implements panel laydown as amended by the MAJCOMS**
  - **Sustains PCO/SCO while most effectively reducing PSC**
  - **Ensures mission critical changes made in Aerospace functions**
  - **Begins implementation of DCO**

Laydown Option Score Card

	Group Rec Option A1	Laydown Option A1	Laydown Option A2	Laydown Option B1	Laydown Option B2	Laydown Option C
PCO						
Family Practice	G					
Internal Med	G					
Pediatrics	G					
ER/UCC	G					
SCO						
Gen Surgery	G					
Ortho/Pod	G					
Ob/Gyn	G					
Inpt Nursing	G					
Anesthesia	G					
SGP	G					
PHO	G					
BEE	G					
HAWCs	G					

Way Ahead

- Use AFMS Council recommended MTF laydown proposal to finalize financial program
  - Gain AF/SG approval of Council recommendation (8 Mar 04)
- Steps
  - Forecast PSC/revised financing requirement
  - Work with MAJCOMs to redistribute $$ based upon approved laydown changes
  - Finalize review and prioritization of financial D/I/Os
    - PEM/Program Parade for HQ Programs
    - Offset Drill
- Brief AFMS Council on $$ for POM FY06-11 (1 Apr 2004)

UNITED STATES AIR FORCE
MEDICAL SERVICE

MAJCOM Summary Option A-1

MAJCOM Summary Option A-2

Base Realignment and Closure (BRAC)

- Background
  - Multiple BRACs have occurred in the past
  - With each, various manpower levels retained
  - No guarantees regarding amount of manpower that will be retained with upcoming BRAC
- Tri-Service Working Group currently working BRAC effort
  - Led by AF/SG
  - Data Call out now
- Timeline: BRAC announcement due end of 05

Enhanced Planning Process

- **Contract and Terms of Reference**
  - **Developed**
  - **Debated**
  - **Await Final Approval**

- **What is the Way Ahead?**
- **What is the Impact on AFMS?**

NO GUARANTEED $ FOR $ RETURN

Elements of the Contract

U.S. AIR FORCE

- **Issue Title: Relieving Stress on the Force – Defense Health Program**
- **Background**
  - **The principal enhancement expected from this issue assessment is freed military end strength for use in relieving key stress areas in the force and filling gaps in force structure**

    Manpower converted from this study will be returned as "hollow" end-strength to the Services, driving a bill to maintain/use that endstrength. The Air Force already has a plan to mitigate stress on Airmen. PA&E intends to support HA/TMA's request to keep the $$ for the MILPERs and convert to O&M to support hiring civilian or contracts to maintain the required workload levels. A major concern for AFMS is to ensure $$ needed for personal service contracts/content be then transferred from HA/TMA to AFMS O&M accounts.
- **Objectives:**
  - **Identify, using existing analysis, end strength currently used for medical care that can be made available to the Services for realignment;**

    "Existing analysis" refers to use of the tri-Service DoD Sizing methodology to establish the baseline medical readiness requirements. Warfight reflected in the model run is based upon 2MTW casualty stream. This mix of resources may differ from 1-4-2-1 concept but is

Elements of the Contract

- **Identify, using appropriate filters, the least stressing method(s) of freeing medical end strength and the risks the Department would be assuming in executing the conversions;**

  "Filters" refers to the factors that will impact the decision to convert positions. Examples of filter may include availability of contract/civilian capability or commensurate standard of care in local markets. Other factors include recruitment, retention, education, and training

- **Identify the cost of converting the medical workload to alternative methods of delivery.**

  No comment necessary

- **Output**
  - **The issue team will produce Joint Programming Guidance language and an assessment of the risks and cost of converting medical care to free end strength for relieving stress on the force.**

    Earlier versions of the contract and terms of reference suggested a "menu" of plans including identifying risk in readiness. We successfully argued (to date) for removal of this statement

MHS Transformation

- **Change In Strategy**
  - **1993 Bottom-Up-Review directed Services to size and shape force to win two Major Theater Wars nearly simultaneously**
  - **Past decade has shown the limitations of the 2 MTW construct**
  - **QDR 2001 defined a new strategy, termed "1-4-2-1"**

LIKELY TO REDUCE OVERALL SIZE OF MHS

"1-4-2-1" Force Sizing Construct

- "1-4-2-1" Force Sizing Construct
  - Defend the United States
  - Deter aggression in four geographic regions
  - Swiftly defeat aggression in overlapping major conflicts while…
  - Preserving for the President the option to call for a decisive victory in one of those conflicts - including the possibility of regime change or occupation
  - Force must also be sized to conduct limited number of small-scale contingencies
  - Concurrently, the DoD will maintain sufficient force generation capability and a strategic reserve to mitigate risks.

(1)(4)(2)(1)